

Candy Crowley Hosts CNN's "State of the Union"

[LIST OF SPEAKERS](#)

CROWLEY:

Glasnost. The all-American version.

(BEGIN VIDEO CLIP)

CROWLEY (voice-over): Today, the president breaks bread with Republicans. The White House calls it a change of approach. Republicans call it a good foundation. What do Democrats say?

PELOSI:

If he can diffuse some of their opposition to some of these issues, bravo.

CROWLEY:

Our conversation with the top Democrat in the House, Minority Leader Nancy Pelosi.

Plus, as the president reaches out to rank and file Republicans, where does that leave their leadership. Our Sunday exclusive with House majority whip, Kevin McCarthy.

Then, he reemerges pushing a new book on immigration wars and raising eyebrows for not saying no to a presidential run.

BUSH:

Who knows what the future holds for me, but I'm excited that I think we're seeing the renewal of the conservative movement in the Republican Party, and I want to be part of that, for sure.

CROWLEY:

2016 and the state of the Republican Party with former Florida governor, Jeb Bush.

Plus, the long road to the next election, Rand Paul's long talk in the Senate and no more long lines for White House tours. With our political panel, Anita Dunn, Newt Gingrich, Alex Castellanos, and Donna Brazile.

I'm Candy Crowley. And this is STATE OF THE UNION.

(END VIDEO CLIP)

CROWLEY (on-camera): President Obama will make the trek to Capitol Hill later this week. He'll speak to both Republican and Democratic members of Congress. It's a new tact that the president is taking, apparently, trying to woo rather than blame members of the legislative branch. Will it work? Earlier, I spoke with House minority leader, Nancy Pelosi, about the president's outreach.

(BEGIN VIDEOTAPE)

CROWLEY:

A lot of talk about the president reaching out to Republicans. Do you think that this in, any way, undercuts leadership?

PELOSI:

No. No. Absolutely not. The president has always been very respectful of the views of the Republicans and the Congress, their leadership and their membership. He has always tried to accommodate them. This idea that, but for that we would have gotten all these other things done is just really not reality.

CROWLEY:

Sounds like you don't think these meetings will work.

PELOSI:

What, I think the meetings are a good idea because you understand each other better and you may get a measure of courage. Around here, it's all about courage. Who's going to really vote what they believe and fight for what they believe? And so, I think everybody takes a measure of each other at some of these meetings.

But they are not -- not having these meetings is not why we haven't had progress before. We haven't had progress before because the Republicans were committed to blocking the initiatives of President Barack Obama.

CROWLEY:

Do you think that given these meetings, he's looking -- there's two ways to look at these meetings with the president. The first is that he's looking for, like-minded Republicans, where he might find some common ground. The other is that he wants to get to next year when he has committed to you lots of resources, including his personal time to return the House to Democratic hands.

That this is just another way to say, well, I talked to them and they still, you know, won't do anything. And what I really want is a Democratic Congress help me here.

PELOSI:

I think it's important to note that all of us come here to get a job done for the American people. And certainly, that is the case with the president of the United States. He's been very bipartisan in his approach. So, I think that these meetings are not something to say, well, I'll do this with him now and I'll do that with him later.

I think it is, let's get some things done together to make elections less important. Let's come together for the benefit of the American people, first and foremost. That's our responsibility. So, if he can diffuse some of their opposition to some of these issues, bravo, again for the American people that we can get a job done. That's far more important than what happens in an election.

CROWLEY:

Well, it is -- I guess, the reason I'm asking it is so many people have pointed to, you know, when Mitch McConnell said that his number one goal was to see that the president was a one-term president. The president has now committed to you and others that he wants to do what he can to help turn the House Democratic. Isn't that kind of the same thing?

(CROSSTALK)

CROWLEY:

-- that he should have looked at everything through a prism of the next election?

PELOSI:

No, it is completely different, but thank you for the question. It's completely different, because when Mitch McConnell said that, he was talking about stopping, obstructing initiatives to create jobs, stopping initiatives that would show bipartisanship on the part of the president.

He wanted to show -- they want to show that he couldn't come to agreement with the Republicans simply -- it didn't matter what the subject was, they were not going to support it. The role of the leader of the party and the country is the president of the United States.

CROWLEY:

So, you don't see this right away turning into any kind of legislative breakthroughs on big deals about the budget or any of that stuff?

PELOSI:

I certainly hope it will. I certainly hope it will. I hope that it will create confidence that we can go forward with immigration reform, issues that relate to ending gun violence and to name two that are imminent and hopefully will have a path to have other legislation that helps to create jobs, to make our country more secure economically and in terms of our national security.

So, no, I certainly hope that it would, because one success can breed another success. Respect for each other's views, putting something together that is a compromise, a collaboration. That's what we come here to do.

CROWLEY:

And certainly, I think I could hear a lot of Republicans saying that same thing. We're here to be collaborative, et cetera, et cetera.

PELOSI:

I haven't heard them say that.

(LAUGHTER)

PELOSI:

Maybe they say it to you.

(LAUGHTER)

CROWLEY:

Let me ask you about one issue that's out there, which is the continuing resolution to keep the government in business. you voted against it because you worry that it includes these automatic budget cuts.

PELOSI:

Sequester. Yes.

CROWLEY:

Sequester. And that it doesn't help the domestic side where these cuts are just sort of across the board. If the Senate should include some budget bills that dealt with, well-being maybe we can, you know, save this program and cut more from this program, could you see your way clear to approving the CR at the current levels, which is to say including the automatic budget cut up top line?

PELOSI:

Well, I'm as concerned about the approach to defense as well as to our domestic budget. But, we certainly are not going to have the government shut down. So, when we weigh the equities of the value of the bill, it's almost impossible for it not to be a better bill than what is written by the House Republicans.

But, they will have to send a bipartisan bill in order to get the 60 votes. I'm sure it will be stronger. And, again, depending on what it is and how many Republican votes it has, I've said very clearly, the Democrats will not allow government to shut down.

CROWLEY:

And finally, just on the issue of entitlements, do you think if there is reform in entitlements, that you can deliver most of your caucus?

PELOSI:

Well, I would characterize what you hear in our caucus, we don't want to touch -- we don't want to hurt beneficiaries. We certainly want to strengthen Medicare, Social Security, Medicaid. We want to make them more fiscally sound. We want to make sure that for the purpose that they have been instituted, they're honoring that purpose and the taxpayer, and beneficiary are getting their money's worth.

So, we put a great deal in the Affordable Care Act to address the rising cost of health care in our country.

Rising cost of health care in our country is the biggest contributor to the increase in cost in Medicare. So, stopping the drastic increase in the cost of health care is important for our whole economy and health care, especially important when it comes to Medicare.

This is already working. .4 percent, the rate of increase, much slower than it had been, and as I say, Medicaid not increasing. Now, we want to do better than that. And so, that's how -- if the point is to go to the table and strengthen these institutions, these pillars of economic and health security for the great middle class, which is the backbone of our Democracy, it's all about the middle class, then let's sit down and do that.

If the point of it is to take trophies, let's raise the age. That doesn't save money. It's a trophy. It's a scalp. But it's not a solution. And so --

CROWLEY:

You're against it?

PELOSI:

We wouldn't be engaged -- raising the age, I am very much against. But in terms of putting it on the table and keeping these things sound and guaranteed, we're all for that. We're not there to make them cash cows to give tax breaks to wealthiest people in our country and say we're balancing the budget.

CROWLEY:

Leader Pelosi, thank you so much for your time.

PELOSI:

I appreciate it. Thank you. My pleasure.

(END VIDEOTAPE)

CROWLEY:

When we return, the president continues to extend an olive branch to Congress. Is it really a term offensive or part of a broader strategy to take back the House in 2014? We will ask the Republican whip, Kevin McCarthy. He's up next.

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE:

Now, I want to say to you what I say to every congressman that sits where you're sitting now. Vote your district. Vote your conscience. Don't surprise me. And the most important one of those is don't surprise me.

(END VIDEO CLIP)

CROWLEY:

That's a clip from the very popular Netflix series "House of Cards" which tells the story of a fictitious manipulative House majority whip.

Joining me now, the not fictitious but real life House majority whip, Congressman Kevin McCarthy of California. And you tell me you gave him that line.

MCCARTHY:

I gave him that line. I didn't deliver it that way, but I gave him that line, yes.

(LAUGHTER)

CROWLEY:

And what you most don't like is surprises. And I understand, every whip always says, just don't surprise me about what your vote is. Let me talk to you a little bit about that. You're in charge of keeping your caucus in line or at least knowing who's going to vote how. When it comes to some of these major issues that are likely to come to House from the Senate as the speaker has said he wants, immigration, very important to Republicans.

Gun control, very important to Republicans. If a bill is sent to the House that you know the majority of your caucus will not vote for, will the speaker still put it on the floor?

MCCARTHY:

The speaker has talked about, it's better if the House does their work. We should be sending bills to the Senate. It's better if the House works the way it's designed, where the House passes the bill --

CROWLEY:

It's something that he says I'm going to wait to see how the Senate does this.

MCCARTHY:

Yes, but if the House passes the bill and the Senate passes the bill, then it goes to conference. Many times, the Senate talks of things and never gets anything through. Take the budget, for instance. It's been four years since they passed the budget.

CROWLEY:

Sure, but I guess my question, is there anything -- if they come up with an immigration bill and you're all unable to, so it comes to your side, if that bill will not gather the majority of Republicans, would the speaker put it on the floor anyway?

MCCARTHY:

The speaker says he wants to, if you listen to his press conference the other day, he will pass bills that the House passes. He'll pass bills that the Republicans are moving forward, but I wouldn't underestimate the House ability to pass the immigration bill. And I think we have plenty ideas on that, and I think there's an opportunity that we can move the ball as well.

CROWLEY:

I think I'm not going to get a straight answer to that question.

(LAUGHTER)

CROWLEY:

So, let's try and move on here to something I might. What do you make of the president's charm offensive? What do you think's behind it?

MCCARTHY:

I believe any time that both parties are talking, it's a good thing. Now, this should have happened four years ago. I'm glad it's happening. But is this about politics or is this genuine?

CROWLEY:

Which is it?

MCCARTHY:

Only time will tell. I mean, this president spends a lot of time on the road, a lot of time about politics. He walked off his campaign election, election night after giving a speech and he made two phone calls, Nancy Pelosi and Steve Israel, the head of the Democratic campaign committee. So, is this about winning the

House or is it about governing for all of America? And only time will tell that --

CROWLEY:

Could be both.

MCCARTHY:

It very well could be.

CROWLEY:

Could be he'd love to have a deal with you all but if you won't make it, he's going to say, I tried to make a deal with them. I really need a Democratic house.

MCCARTHY:

If there's an opportunity that both sides can come together to find the common ground for America. If the president thinks if he just talks to new people, but the question is always he just wants to raise taxes, he's going to get the same answer. But if the president comes and says where can we work together, where can we find common ground, he's going to like the answer that he gets.

CROWLEY:

Do you think that the president is trying to help the Republican leadership by going to the rank and file or do you think he's trying to go around you?

MCCARTHY:

The president always likes to play politics. So, I think he'll continue to play that political game. He'll want to talk to many people as possible. But look --

CROWLEY:

But is he trying to cherry-pick Republicans who he thinks might come with him on some things that the leadership or more conservative parts of your caucus might oppose?

MCCARTHY:

I haven't seen him talk to enough people. Look, Democrats were more excited that he invited a Democrat down to the White House. So, he's got problems on both sides of the aisle. He hasn't brought very many people. He doesn't know very many people in the House. He knows more people in the Senate because he served there a few years, but --

CROWLEY:

It's Republicans that he's taking to dinner. Senate Republicans.

MCCARTHY:

Senate Republicans. He's coming to the House conference which I think is positive. He's only done that once before, but he should come and listen and communicate and try to find where we can find common ground. Where can we bring that accountability back to government? That's what Republicans are looking for.

CROWLEY:

Let me ask you about Paul Ryan's budget that is coming out next week. We are led to believe that he wants to change the age cutoff for changing Medicare benefits. Will that be in the bill?

MCCARTHY:

No. He will -- if you are at or near retirement, there is no difference for you.

CROWLEY:

What is that -- what is that -- give me an age.

MCCARTHY:

It's 55.

CROWLEY:

So, it remains the same. He couldn't sell a higher age.

MCCARTHY:

No. Where you have to focus is, we'll actually pass a budget that balances in ten years. The Democrats and the Senate have never even passed a budget. It's been more than four years. Now that we have passed no budget, no pay, even though the speaker thinks that's undignified. I think it's undignified if you don't do your job. When they're going to pass a budget, we'll never balance.

CROWLEY:

So, what you have here also as you heard Nancy Pelosi say, when it comes to things like entitlements, she's not prepared to do anything that would change Medicare benefits. She said to do that, it's a trophy, it's a scalp, it doesn't mean anything.

MCCARTHY:

So, Nancy wants Medicare to go bankrupt? We'll not allow that. We will preserve and protect Medicare and

Social Security. That's why when you look at our budget, we make an investment. We make sure it's there for the next generation and we protect it for the current generation as well. If you ignore the problem, you're saying you support bankruptcy.

CROWLEY:

If the Senate returns to you a continuing resolution, which essentially means that the government will stay in business through September and the cuts remain in there, the \$85 billion in automatic cuts remain there, but below that line, there's some shifting around so that it kind of eases sort of the sting of some of these cuts, would the House caucus, Republican caucus still support it?

MCCARTHY:

Well, the first thing we'll look at, is the dollar amount there? And now, I'd advise them don't play around that much, but if you're giving some flexibility the same way we gave flexibility to DOD and some of these areas have been conferenced, meaning the House and the Senate have both worked together on it, we'll look at those. It will be an opportunity to see if it meets that criteria that we would pass.

CROWLEY:

It would be open to some changes about how that money is taken out of the government?

MCCARTHY:

Our bottom line is to make sure we were able to cut two cents out of every dollar.

CROWLEY:

Let me ask you, as you know, Republican Party chairman, Reince Priebus, is doing an autopsy about what happened and what went wrong in 2012. Polling shows that, basically, the public mostly blames Republicans for government failings. What does -- let's just talk about your side of Congress. What do you think you all can do to change the image of the Republican Party?

MCCARTHY:

Not just talk to the mind, but also talk to the heart. Many times we spend so much time on policy, but we don't explain how the policy affects and makes the heart even grow bigger. And I think that's a place that we have to look inside.

That's a place that we have to show that our policy affects all Americans and it's not just about a Republican Party, it's about growing an American country that's even stronger, putting us back to work, having a better education system. An America for all.

CROWLEY:

So, you don't think it's policy. You think it's presentation.

MCCARTHY:

There's a combination you can always look. I mean, the party is a big tent party. I mean, I look to an example, what Rand Paul did on the floor this week was fantastic.

CROWLEY:

And it got criticized by two Republicans.

MCCARTHY:

You know what, I think those Republicans who criticized him were wrong. And this is the place that I think the Democrats were wrong that a lot of them didn't join with him. This was an American issue that he stood up about this president, wanted an answer with it, and an idea of civil liberties. I think that's a core belief of Republicans that I think if we embrace a little more of our libertarian views, we'll actually go forward.

CROWLEY:

Congressman Kevin McCarthy, House majority whip, the real one --

(LAUGHTER)

CROWLEY:

-- as a matter of fact. Come back and see us again. Thank you.

MCCARTHY:

Thanks for having me.

CROWLEY:

When we return, Jeb Bush in 2010 on why he wasn't going to run for president.

(BEGIN VIDEO CLIP)

JEB BUSH, FORMER FLORIDA GOVERNOR:

I got to be governor for eight years. It took about two years to get it. Get the job. So, that's a decade out of my life in public service. I enjoyed it immensely. I'm still involved, but I really have to stay focused on this goal of achieving some financial independence, financial security for my family.

(END VIDEO CLIP)

CROWLEY:

Things have changed since then. Our interview with Jeb Bush is next.

(COMMERCIAL BREAK)

CROWLEY:

Joining me now, former Florida governor, Jeb Bush. Governor, it's good to see you. I want to talk first about what I understand your position on undocumented workers to be as Washington sets forth on trying to come up with some kind of immigration reform. You don't want any kind of plan that would encourage further entry by undocumented workers, is that correct?

BUSH:

That's exactly right. The incentives that exist today are for people to come illegally because there's no path for them to come legally. We don't have a guest worker program. We have lines that are so long, that in effect, there are no lines. If you -- I mean, we have a lottery system where people actually put their names in. That's the reaction to our immigration system being so clogged up.

CROWLEY:

And a lot has been made of the idea that immigration reform has finally found its time in the sun because you all got so clocked in the last election when it comes to the Latino vote.

(LAUGHTER)

CROWLEY:

I think there's -- and Republicans have sort of openly admitted that. But the truth is, this isn't really about the pathway to citizenship or immigration reform, is it? Is this not about what everybody has called the empathy gap. The people look at the Republican Party and they think mean old white guys, mainly.

BUSH:

So, I think that immigration is a gateway issue for people that have some experience in the -- you know, some part of the immigrant experience. It's a gateway issue if you can get past that, then you have to make a case on a broader set of issues. And, whether it's the empathy gap or actually having a positive agenda, I would argue an opportunity society kind of agenda is what we need.

Something that's more aspirational, a real focus on transformation of our education system. A tax code that doesn't penalize aspiring small business owners, a regulatory system that only makes large companies able

to comply and small businesses choked off. The right to rise ought to be the key of what we're proposing. It would resonate amongst all immigrant communities.

CROWLEY:

Let me ask you about a couple of things that have been in the news lately. One of them has been Senator Rand Paul's filibuster seeking answers on a policy on drone use in the U.S. Senator John McCain, to a certain extent, Lindsey Graham, both came out and criticized that filibuster. And it was seen as kind of an old guard, young turk sort of divide in the Republican Party. If you had to describe what is going on now inside the Republican Party, how would you describe it?

BUSH:

I would say it is a natural process of where there's divergence, people can express their views openly. But that on the broad issues, there's still broad support and concurrence. The fact that Senator McCain was critical of elements of what Senator Paul said is fair.

But on the other hand, I think he would respect the fact that Senator Paul got a response from the administration on the key question of whether or not drones could be used against American citizens on American soil. And I think it's OK to have a disagreement.

You know, we don't march lockstep 100 percent in agreement all the time. But on these broader issues, I think there is broad support and that's what's emerging in the Republican Party going forward.

CROWLEY:

And the president's so-called charm offensive, it has been noted by some folks on Capitol Hill, Republicans, that this is, in fact, the first time that he's done such a big outreach to Republicans. None of them in the leadership, by the way, certainly, on the Senate side. Put on your analyst hat for a minute and tell me what you think the president's doing.

BUSH:

I don't know what he's doing, but I would encourage him to do more of it. It's important to build trust if you're trying to deal with big things. Big issues require everybody to get outside their comfort zone, and people are more willing to do so if they believe that their partner is sincere in their efforts. And the only way you can do that is to engage them on a personal level.

So, whether anything comes of this or not, it could have the chance of restoring a degree of civility. This is the first step to problem solving and solutions in our nation's capital. So, I'm not a cynic about this. I think it's important and I applaud the president for doing it. And I think Republicans appreciate it.

CROWLEY:

When I last spoke with you, it was before 2012, and in fact, you were with your brother, the former president.

CROWLEY:

What we talked about whether or not you were going to run for president and you said, no way, no how. I don't know how many times I have to say this. I need to make some money and I have projects that are important to me, among them your education organization. And now we've heard an awful lot about how you are not ruling it out.

BUSH:

How are we supposed to take that? Because it certainly seems that you are now entertaining the idea or at least not ruling it out. So what has changed?

So nothing has changed. When you asked me before 2012 was I going to run in 2012, and I said no. I went through the process and decided it wasn't appropriate. Now I've decided to defer any consideration of it until the proper time to make those kind of considerations, which is out, you know, more than a year from now for sure. When I go through that process, I'll let you know.

I don't know why there has to be a lot of mystery about this. This is how it normally works, I believe. So look, I don't know if I'm going to run for elected office again or not. In the interim, I have a blessed life. I have a great family. I get to advocate issues and ideas that I believe in. And I have a great life. So who knows what the future holds for me but I'm excited that I think we're seeing the renewal of the conservative movement and the Republican party. I want to be part of that for sure.

CROWLEY:

Do you have the bug, the elected office bug?

BUSH:

The elected office bug? I don't know. I haven't given that much thought. I loved being governor. It was a blast. Eight years was enough. But it was certainly one of the greatest thrills in my life to be able to serve the people of Florida. I miss that from time to time. But as I said, I got a great life right now.

CROWLEY:

Finally, I have to ask you because we're coming up on the ten-year anniversary of the war in Iraq which is widely seen in public opinion polls as a mistake. Do you think that will ever change?

BUSH:

Yes. You know, a lot of things in history change over time. I think people will respect the resolve that my brother showed, both in defending the country and the war in Iraq. But history will judge that in a more

objective way than today. The war has wound down now and it's still way too early to judge what success it had in providing some degree of stability in the region.

CROWLEY:

Former Florida governor, Jeb Bush, thanks so much for speaking with us.

BUSH:

Thanks, Candy.

CROWLEY:

Jeb Bush is the co-author of a new book about immigration. It is titled "Immigration Wars Forging An American Solution."

Up next, the Vatican prepares for conclave and later, the White House cancels visitor tours because of forced budget cuts. What do tourists think? We'll be right back.

(COMMERCIAL BREAK)

CROWLEY:

Time for a look at today's headlines.

Afghanistan's president Hamid Karzai says a deadly bombing in Kabul shows the Taliban wants a foreign presence to remain in the country. In a televised speech today, Karzai said the Taliban is in daily talks with U.S., European and Middle East officials. After his remarks a planned joint news conference between Karzai and U.S. defense secretary Chuck Hagel was canceled. Pentagon spokesman says it was due to a change in Hagel's schedule.

The world's Roman Catholic cardinals are in Rome preparing to pick the next pope. They fanned out to the churches across the city to attend mass. On Tuesday, 115 cardinals will begin the process of selecting a new pontiff to succeed Benedict XVI who retired last month and will be in seclusion until a new Pope is elected.

Another Romney is considering a run for office. Mitt Romney's brother Scott may pursue the Michigan Senate seat being vacated by Democratic senator Carl Levin in 2014. Scott Romney is a currently a partner at a Detroit law firm and never held a public office.

When we return, could election 2016 really be Clinton versus Bush? Our political panel Donna Brazile, Anita Dunn, Alex Castellanos and Newt Gingrich up next.

(COMMERCIAL BREAK)

CROWLEY:

With me Democratic strategist Donna Brazile, former White House communications director, Anita Dunn, Republican consultant, Alex Castellanos, he is the co-founder of the bipartisan communication "Purple Strategies" and former speaker, Newt Gingrich. Welcome all.

You saw my interview with Jeb Bush. Just to refresh your memory when I asked him (INAUDIBLE) mean and would you rule out a run and he said, who knows what the future holds for me but I'm excited that I think we're seeing the renewal of the conservative movement, Republican party and I want to be a part of that for sure.

So this is a very smart guy. He's been in politics. He has been around politics. Two people, immediate relatives have been president. So can we all agree that he's thinking about running for president?

UNIDENTIFIED FEMALE:

Absolutely.

UNIDENTIFIED MALE:

Sure.

UNIDENTIFIED FEMALE:

(INAUDIBLE)

CROWLEY:

OK. Despite -- I thought am I crazy?

(CROSSTALK)

You know, it's funny, because he did a round of interviews and just was shocked, simply shocked that we would think that this was about politics. So I wanted to get bipartisan agreement that --

NEWT GINGRICH, FORMER SPEAKER OF THE HOUSE:

He's been very successful governor of Florida. He is among the most articulate Republicans in the country. He has a huge automatic family base if he does decide to run and he can go out and going to make a lot more noise. If he rushed in here and said I am not a candidate, he also ain't going to be on interviews. If he wants to have his voice heard, he's doing exactly the right thing and I think he's sincere sometime in early 2015 of all the Republicans. He's like Hillary Clinton, he's the one who can decide last because he has the

biggest automatic organization. Just as Hillary can wait until the last possible minute and probably should because she has the biggest possible organization on the Democratic side.

ALEX CASTELLANOS, FORMER BUSH AND ROMNEY ADVISER:

It's interesting to see how quickly the old cast of Republicans has moved off the stage and this week we've seen an entirely new one start dominating the news. You know, the Marco Rubio, the Rand Paul, Jeb Bush is making news in Washington again. So for a Republican party that has hit bottom, it's nice to see that there are some fresh faces and new ideas.

DONNA BRAZILE, DEMOCRATIC STRATEGIST:

You forgot my home state governor Bobby Jindal who did a terrific job last night. Acquitted himself at the (INAUDIBLE) -- he was very funny.

ANITA DUNN, FORMER WHITE HOUSE COMMUNICATIONS DIRECTOR:

He was funny. Because that's what it's about.

He was funny. He made a point of saying that he was -- saying that he wasn't running for president in all the right places in Iowa, New Hampshire and South Carolina. It is a healthy thing for both parties to have this next generation of leaders coming along. I think one of the things Republican party they have to figure out not just their messenger, they also are going to have to look seriously at their overall party brand and I think that part of the process of these candidates coming along or potential candidates starting to come along is also starting to reshape that brand which it sorely needs.

CROWLEY:

Let me ask you about next generations because certainly Hillary Clinton could not be called part of the next generation. And yet, she's the one everyone feels that the Democratic race is pretty much frozen until she makes a decision, exception Joe Biden. Want to show you a poll and ask you something about it.

This is Quinnipiac, it was the end of February to March 4th. In every case Hillary Clinton bests Chris Christie, the governor of New Jersey, Marco Rubio, senator from Florida, Paul Ryan, the former vice presidential candidate. But what interest us is these Clinton numbers. Arguably Hillary Clinton is as popular a woman in the country as you can get when you ask how do you feel approximate her, because she has been out of politics, she has been secretary of state and she can't break 50 percent in this poll. What does that tell you?

GINGRICH:

Well, I think once Americans move forward a generation in politics, they almost never move back. This country is all about what's next, land of frontiers. I think there is a better chance that Gavin Newsom or a - someone the Martin O'Malley will be the next Democratic nominee than Hillary Clinton. She and Joe Biden, generationally that's one of the reasons she didn't get the nomination from Barack Obama last time and the

world has moved even farther along.

So these numbers are good solid numbers. Look she has done a tremendous job, I think, as secretary of state. If you ask the American people, she's worked hard. But she is not the future of the Democratic Party in many ways she's the past.

BRAZILE:

Well, I wouldn't say that. I wouldn't say that.

GINGRICH:

Well, that's an advice from a Republican.

BRAZILE:

We'll let you have your three cents but not the whole nickel. She would be a strong contender if she decided to run. There's no question that the Democratic Party has a lot of talented people, a lot of good governors, the governor of Colorado, Mr. Hickenlooper is great. The governor of New York, Mr. Cuomo, the senator of New York, Ms. Gillibrand, the senator of Massachusetts, Ms. Warren. I want to mention all the women as well.

UNIDENTIFIED FEMALE:

Amy Klobuchar.

BRAZILE:

Amy Klobuchar. She did a fantastic job last night.

But Hillary Clinton's numbers are very strong given where we're at this moment with the partisanship in this country. She's gaining a lot of support from independents. She would have generational support among young women. I think if she decided to run, she is probably the only one to put together this broad coalition the Democrats need to win.

CROWLEY:

Just because you worked for her, I'm assuming you would support her in 2016?

DUNN:

I think nobody has asked me for my support right now, but I'll say this, which is Donna is right about this which is her if she ran -- if she ran, there will be a transformational effect as there was a transformational effect with then senator Obama when he ran in terms...

(CROSSTALK)

DUNN:

Absolutely. We saw it in 2008 as well. That was a very, very close race if you look at the popular vote during the primaries. I think what these polls tell us right now is that people really aren't ready to deal with 2016 as they should not be, and I looked at a CNN poll from March of 2009 looking at the Republican primary race and it was Sarah Palin and Mike Huckabee.

CROWLEY:

I mean, that's what -- you're being so curiously quiet over here. I can't wait to hear what you're going to say. I mean I know that you're an admirer of Hillary Clinton if not in her policies. I know you worked with her.

GINGRICH:

We worked together on health policy and defense policy. The biggest thing I say for our viewers is if we go back to March of 2005, which is the parallel, you could not possibly have picked Barack Obama. It was inconceivable.

CROWLEY:

Wouldn't you think a woman in the limelight as long as Hillary Clinton would poll better at this point when name recognition is everything than 50.

GINGRICH:

She and Jeb Bush have an automatic advantage and disadvantage. The advantage and disadvantage, they are very well-known. That's an advantage. On the other hand, nobody has seriously started to ask them questions. And the minute you seriously start to ask some questions they become more vulnerable. And I think that's a -- they both understand that if they ever are going to run, I don't know if either one will, frankly, they need to run as late as possible.

CROWLEY:

Right. Let me ask you about one of the new faces that was out there. That's Rand Paul made a lot of news this week, almost 13 hours of a filibuster. He had said openly, yes. I'm considering running for president in 2016. Now, his dad had an enormous following, a passionate following of libertarians but he was not one that people said here's someone who has a serious chance to be a major contender. Is there a difference between father and son?

CASTELLANOS:

Yes, there is a difference. You can see where they come from. His father had a congressional district that

was safe in Texas. He could do anything he wanted to, and he went pretty far out on a limb at times to advance his ideas, a libertarian agenda. Rand Paul is in a state that's not necessarily going to re-elect him if he would do the same thing. It's a bigger pond. A more dangerous pond. You're going to see him more mainstream. And you're seeing a new generation of Republican, frankly, that's more comfortable with a libertarian philosophy embracing --

(CROSSTALK)

CASTELLANOS:

Rand Paul, for example, if he runs for president for a nomination and loses, I doubt he'll be able to threaten the Republican Party and say, you know what? I'm going to -- I'll mount a third party bid. So you're going to see a tighter Republican party, younger, more comfortable with libertarianism. This week was marvelous for Republicans, because what we got to see was an old generation losing power. And I'm for cranky older Republicans. The older I get, the more patient I am with them.

(LAUGHTER)

(CROSSTALK)

CASTELLANOS:

But we get to see new Republicans. Rand Paul, Marco Rubio, all of those guys take the Senate floor. And all of the sudden they didn't defer to the, you know, bigger defense is automatically better Republicans.

GINGRICH:

This is good at two levels. One is, Republicans need to get over sitting around passively waiting for their leadership. And to have a Ted Cruz, to have a Rand Paul, this is a very healthy ferment from the ground up. I also think the issue he raised is real. I mean, conservatives fear big government. The constitution was written to control government, not to control the American people. And it's perfectly legitimate to say to the attorney general, are there ground rules which limit your ability to kill Americans? This is not a trivial question.

(CROSSTALK)

BRAZILE:

-- during this whole filibuster is that Jimmy Carter was probably one of the first Americans, prominent Americans, who raised questions about our so-called drone use. He wanted to know what are the legal underpinnings. He did that last June, and then again in December it was picked up and then put back down. Ron Wyden, of course senator from Oregon, also raised questions about the so-called drone use. And the ACLU sued the Obama administration. Almost back in January of 2010, but Rand Paul, to his credit, went to

the Senate well and spent 13 hours driving home this big issue.

CROWLEY:

Anita, where were the Democrats then in this? Why didn't they come help him?

DUNN:

Well, there were Democrats. You know, Wyden joined that. But the reality is that - that he was filibustering on an issue that the White House had fundamentally already said they agreed with. They gave him what he wanted which was an explicit statement. But there was not a lot of disagreement. I think that this conversation is a healthy one for the American public and it's a healthy one to be having in Washington about the uses of the power and I don't think the White House minded it.

CROWLEY:

I sincerely need a one-word answer from all of you. We have less than a minute. I wanted to get to these automatic spending cuts. Can we agree that these automatic spending cuts are here to stay? It is now a matter of whether Congress will give the department the tools to kind of figure out where the cuts are from rather than (INAUDIBLE). But the budget cuts are here to stay, yes or no?

BRAZILE:

Unfortunately they are. They're indiscriminate and they hurt.

DUNN:

Yes. And there won't be a political win in here for Congress.

CASTELLANOS:

Fortunately, yes, they're here to stay but the president lost a lot of credibility when he said things like it was so bad he was going to have to cancel Joe Biden's subscription to "The Weekly Reader."

(CROSSTALK)

GINGRICH:

Look. I've been adamant that this is being implemented about as stupidly and painfully as possible. The White House tours are a perfect example. One golfing weekend would have kept the White House tours open for something like 16 weeks.

CROWLEY:

Newt Gingrich, Alex Castellanos, Anita Dunn, Donna Brazile. Thank you all very much.

Up next, nearly 100 years after women fought for voting rights, do they finally have it all? The highest ranking woman in Congress weighs in.

(COMMERCIAL BREAK)

CROWLEY:

And finally today, Betty Friedan, wrote the "Feminine Mystique" in 1963. Fifty years later haven't we come along enough way, baby? For answers, we asked the most powerful woman on Capitol Hill.

(BEGIN VIDEO CLIP)

CROWLEY:

Is it in general something that is more a description of females than males, that females tend to not value their resume as much as, say, men do? They tend not to promote themselves as much as men do? Have you seen that?

PELOSI:

Well, I think that there would be an attempt among some to not fully appreciate the value of experience of women. It may be a combination of being in-charge at home which in my view is probably raising families, the most responsible one, difficult, challenging task, but it has tremendous value. And so I think less and less. I think the way young boys see their moms in the workplace and at home as well or maybe just at home, which is a worthy place to be, that they have a different attitude toward girls and then as they grow older to women in the work force.

I think the conversation we're having would have been probably more appropriate some other time a while back. I don't like to think that at this time there's any woman that would go into a room with any less value on what she came to contribute. In fact, it's probably more important because it represents diversity of a perspective that she brings to the table and that's really important for our country.

(END VIDEO CLIP)

CROWLEY:

The full interview with Nancy Pelosi will air tomorrow on THE SITUATION ROOM with Wolf Blitzer as part of CNN's in depth look into what women want.

And if you missed any part of today's show find us on iTunes. Just search, STATE OF THE UNION.

I'm Candy Crowley, in Washington.

Fareed Zakaria, GPS is next.

CQ Transcriptions, March 10, 2013

List of Speakers

CANDY CROWLEY, HOST

REP. KEVIN MCCARTHY, R-CALIF.

FORMER GOV. JEB BUSH, R-FLA.

REP. NANCY PELOSI, D-CALIF., MINORITY LEADER

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